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February 28, 2014

Jocelyn Boyd, Esq.
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29211

Dear Ms. Boyd:

AT&T South Carolina respectfully submits this letter to: (a) give the Commission notice that effective March 14, 2014, AT&T South Carolina will increase prices for its stand-alone basic residential lines that remain subject to the inflation-based price index set forth in S.C. Code Ann. §58-9-576(C)(2); and (b) demonstrate AT&T South Carolina's compliance with that index.¹

AT&T South Carolina "may increase its rates for [these lines] on an annual basis by a percentage that does not exceed the percentage increase over the prior year in the Gross Domestic Product Price Index, as reported by the United States Department of Labor, Bureau of Labor Statistics." *See* S.C. Code Ann. §58-9-576(C)(2). Attachment A to this letter reflects a 1.27% increase in the GDP-PI from the third quarter 2012 (105.345) to the third quarter 2013 (106.685).

Attachment B to this letter reflects AT&T South Carolina's current prices for these lines in each rate group and the new prices AT&T South Carolina will begin charging for these services in each rate group on March 14, 2014. In each instance, the new rate is no more than 1.27% higher than the current rate.

Yours very truly,

Executive Director

CC: Stephen Williamson, SC Office of Regulatory Staff

¹ *See* AT&T South Carolina's September 25, 2009 Letter Submitting Tariff Revisions (stating that on a going-forward basis, AT&T South Carolina will make appropriate filings with the Commission, with copies to the ORS, to give notice of such increases and to demonstrate compliance with this statutory provision).

ATTACHMENT A

Bureau of Economic Analysis

Table 1.1.4. Price Indexes for Gross Domestic Product

[Index numbers, 2009=100] Seasonally adjusted

Last Revised on: December 20, 2013 - Next Release Date January 30, 2014

Line	2011	2011	2011	2011	2012	2012	2012	2012
	I	II	III	IV	I	II	III	IV
1 Gross domestic product	102.354	103.024	103.651	103.782	104.296	104.751	105.345	105.640
2 Personal consumption expenditures	102.996	103.938	104.529	104.880	105.471	105.750	106.193	106.622
3 Goods	103.804	105.395	106.068	106.112	106.681	106.366	106.718	106.900
4 Durable goods	97.606	97.947	97.797	97.248	97.087	96.791	96.246	95.746
5 Nondurable goods	106.833	109.050	110.138	110.491	111.448	111.127	111.964	112.522
6 Services	102.596	103.217	103.768	104.271	104.872	105.450	105.939	106.493
7 Gross private domestic investment	99.869	100.300	100.559	100.727	101.085	101.482	101.820	102.196
8 Fixed investment	99.922	100.463	100.730	100.911	101.298	101.679	102.045	102.386
9 Nonresidential	99.875	100.456	100.774	100.990	101.506	101.897	102.157	102.350
10 Structures	100.347	101.375	102.293	102.975	103.206	103.703	103.856	104.164
11 Equipment	98.464	98.874	99.058	99.317	99.837	99.940	100.300	100.673
12 Intellectual property products	101.354	101.904	102.029	101.868	102.560	103.304	103.486	103.325
13 Residential	100.108	100.461	100.489	100.509	100.315	100.664	101.505	102.500
14 Change in private inventories	---	---	---	---	---	---	---	---
15 Net exports of goods and services	---	---	---	---	---	---	---	---
16 Exports	109.444	111.659	112.293	111.165	111.955	112.127	112.114	112.543
17 Goods	111.208	113.761	114.294	112.786	113.462	113.423	113.414	113.731
18 Services	105.586	107.051	107.900	107.618	108.667	109.313	109.293	109.974
19 Imports	111.811	115.233	115.132	114.915	116.117	115.038	113.570	114.725
20 Goods	113.301	117.215	117.137	117.059	118.429	117.084	115.316	116.592
21 Services	105.150	106.304	106.127	105.270	105.679	105.823	105.740	106.336
22 Government consumption expenditures and gross investment	104.579	105.634	106.078	105.948	106.697	106.771	106.850	107.209
23 Federal	104.499	105.483	105.835	105.560	105.959	106.182	106.224	106.370
24 National defense	104.346	105.416	105.718	105.283	105.914	106.229	106.322	106.542
25 Nondefense	104.779	105.608	106.049	106.061	106.051	106.112	106.065	106.081
26 State and local	104.633	105.740	106.248	106.220	107.214	107.183	107.288	107.798

Line	2013	2013	2013
	I	II	III
1 Gross domestic product	105.994	106.165	106.685
2 Personal consumption expenditures	106.909	106.878	107.387
3 Goods	106.641	105.740	106.326
4 Durable goods	95.487	95.016	94.456
5 Nondurable goods	112.264	111.126	112.362
6 Services	107.060	107.477	107.946
7 Gross private domestic investment	102.726	103.206	103.641
8 Fixed investment	102.967	103.478	103.982
9 Nonresidential	102.692	103.008	103.303
10 Structures	105.189	106.521	107.347
11 Equipment	100.601	100.500	100.578
12 Intellectual property products	103.816	104.071	104.322
13 Residential	104.088	105.396	106.739
14 Change in private inventories	---	---	---
15 Net exports of goods and services	---	---	---
16 Exports	112.944	112.034	112.303
17 Goods	114.060	112.771	112.921
18 Services	110.531	110.451	110.981
19 Imports	114.873	113.411	113.480
20 Goods	116.779	115.028	115.140
21 Services	106.309	106.165	106.033
22 Government consumption expenditures and gross investment	107.454	107.485	107.916
23 Federal	107.007	107.229	107.504
24 National defense	107.283	107.512	107.784
25 Nondefense	106.549	106.760	107.040
26 State and local	107.775	107.676	108.213

ATTACHMENT B

A3. BASIC LOCAL EXCHANGE SERVICE

A3.1 General

- A. Basic local exchange service is comprised of exchange access lines defined as follows:
Exchange Access Line - The serving central office line equipment and all Company plant facilities up to the demarcation point. These facilities are Company-provided and maintained and provide access to and from the telecommunications network for message toll service and for local calling appropriate to the guidebook specified use offering selected by the customer.
- B. Exchange access lines are subject to the nonrecurring charges specified in Section A4.
- C. Rates for basic local exchange service are related to the total number of exchange access lines and PBX trunks in the local calling area.
- D. Customers subscribing to a total of 1000 or more PBX trunks or Network Access Registers (NARs), aggregated on a statewide basis, will receive a ten percent discount on the monthly recurring rates for these services and on any billed local usage associated with these PBX trunks or NARs. Service furnished under the Sharing and Resale of Basic Local Exchange Service offering will be excluded. Customer accounts will be reviewed annually to determine eligibility for the discount.
- E. Base Rate Areas, Zone Rate Areas and Exchange Service Areas for each exchange are identified on maps issued as a supplement to this Guidebook.
- F. Rate Group Definition

Group	Exchange Access Lines and PBX Trunks Upper Limits
1	7,000
2	15,000
3	28,500
4	50,000
5	78,000
6	125,000
7	Unlimited

A3.2 Statewide Rate Schedules

A3.2.1 Flat Rate Service

- A. Basic Flat Rate Service
- The following statewide schedule of rates is applicable to basic flat rate exchange access line service. The rates specified herein, with zone charges when applicable to service furnished outside the base rate area of an exchange, entitle subscribers to an unlimited number of messages to all exchange access lines bearing the designations of central offices within the serving exchange and basic service area additional exchanges listed in A3.4, Local Calling Areas.
 - Monthly Rates By Rate Group
 - Residence Individual Lines
 - Rate Groups 1 - 4

	Group				USOC	
	1	2	3	4	1FR	(1)
(a) Per line	\$13.83	\$14.33	\$14.82	\$15.31		
(2) Rate Groups 5 - 7						

	Group			USOC	
	5	6	7	1FR	(1)
(a) Per line	\$15.81	\$16.29	\$16.79		

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	Group				USOC	
	1	2	3	4	1FR	(1)
(a) Per line	\$14.00	\$14.51	\$15.00	\$15.50		
(2) Rate Groups 5 - 7						

	Group			USOC	
	5	6	7	1FR	(1)
(a) Per line	\$16.01	\$16.49	\$17.00		